Briefing to the Competitive Sourcing Working Group (CSWG)

Defense Human Resources Board Review of Military Conversions

OUSD(P&R)

August 2003

Overview

- Setting the Stage
- Background
- DoD Objectives
- FY 2002 IGCA Inventory
- Candidates for Conversion
- Process to Increase Numbers
- Strategy for Review
- Review of Defense Agencies
- Road Ahead

Setting the Stage

- Since 9/11, there have been concerns that the Military Services do not have adequate Active military end strength to meet force protection, civil affairs, and intelligence surveillance/ reconnaissance requirements
- While recent mobilizations have highlighted shortages in certain capabilities, it is not clear that additional Active military end strength is required in the long term to meet the national strategy. Instead, more progress needs to be on distributing our skill mix to optimize our force capabilities.

"We need to get the personnel system passed by Congress so that we have the ability to manage our civil service system, and not have to constantly put military people into positions that do not require military people … it's either 300K, 320K, or 380K people. That is a pile of people. They need to be doing military functions." SecDef, 5 Aug 2003

Background

Perception that 320,000 military not in "military essential" activities

- First identified in 1997 study of "*Headquarters and Cross-Service Occupational Specialties*" for Deputy Secretary Hamre
- Data accurately portrayed military occupations, but did not provide the reason jobs were performed by military

FY 2002 IGCA Inventory gives greater visibility into why activities are "military essential"

- Identified around 50,000 Active military for conversion
- Identified over 330,000 Active military in activities that are commercial

  but exempt from private sector performance

Perception that high-level support needed to identify additional military conversions and preclude increase in military end strength

USD(P&R) established the Defense Human Resources Board (DHRB)

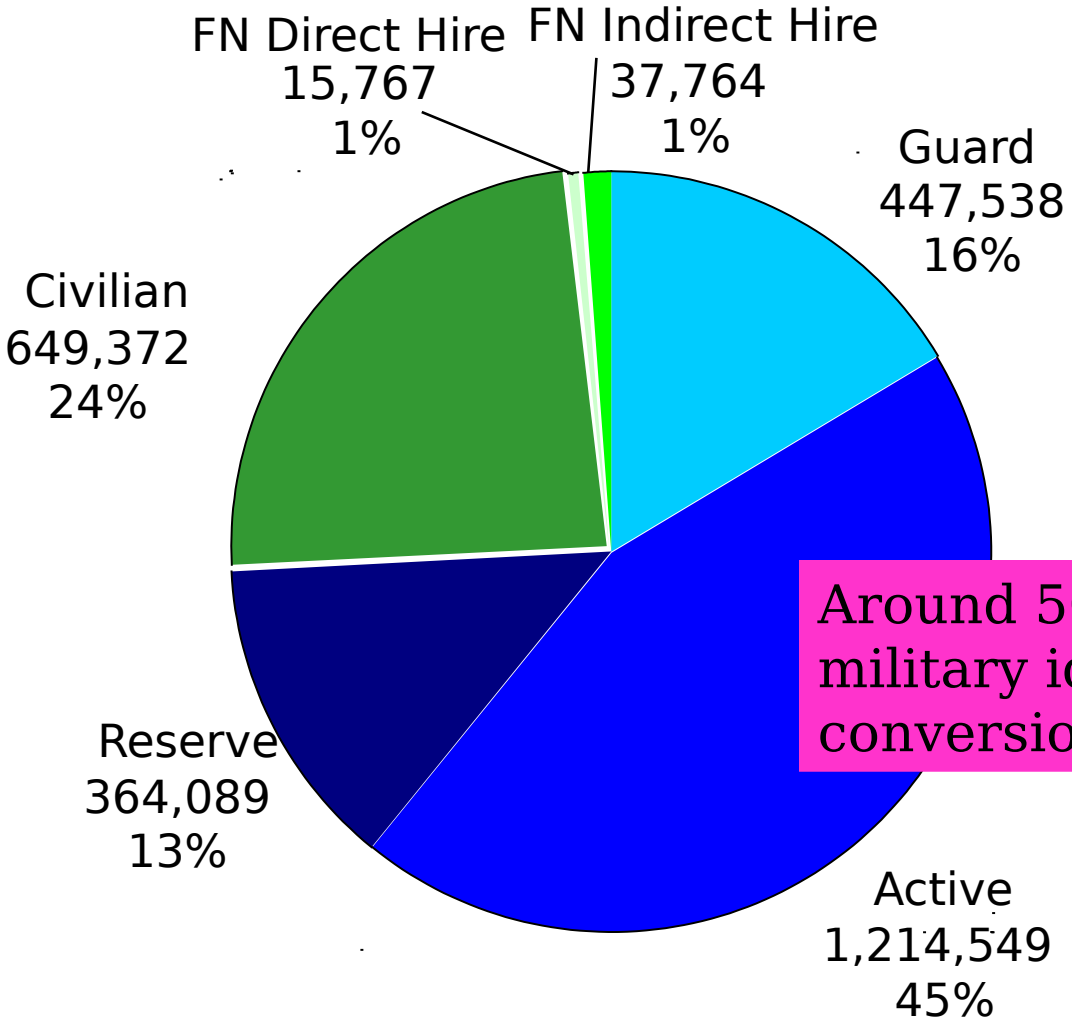
- July 18 DHRB – OSD briefing on Military to Civilian Conversions
- August 15 DHRB – Service briefings on Plans for Military Conversions

DoD Objectives

- Identify Active military manpower for conversion to DoD civilian or private sector performance
  - Preclude increase in military end strength
  - Make available for more effective purposes/use
  - Reduce operating tempo
- Support Secretary's initiative to transform the military and rethink how we conduct operations

Intent is to remain at programmed end-strength levels
USMC Active Military End Strength: 175,000

FY 2002 IGCA Inventory [2.73 M]*



Around 50,000 Active military identified for conversion

* IGCA Inventory does not include manpower in the Individuals Account; in Inspector General or all Intelligence activities; or paid by non-appropriated funds

Candidates for Conversion

47,659 Active military identified for possible conversion:

- 43,641 Active military in commercial activities identified for conversion to DoD civilian or private sector performance
  - 20,270 part of restructuring initiatives/studies
- 3,906 Active military in inherently governmental or exempt activities identified for conversion to civilian performance
- 112 Active military identified for conversion to Ready Reserve

Process to Increase Numbers

Disparity still exists between Military Services

	Identified for Competition		Percent Active Military	
Army	24,788		6	
Air Force	10,424	3		
Navy	12,410	4		
Marine Corps			0	0
Other Agencies			37	0
Total	47,659	4		

Use IGCA Inventory as mechanism for change

- Begin with a review of over 332,000 Active military in commercial activities exempt from DoD civilian or private sector performance
- Expand review to include 838,935 Active military in inherently governmental activities

FY 2002 IGCA Inventory

FY2002 Full Inventory by Component, Criteria Group, and Labor Class

	CA					Exempt					Inherently Governmental					Grand Total				
Component	Active	Civilian	Guard	Reserve	Total	Active	Civilian	Guard	Reserve	Total	Active	Civilian	Guard	Reserve	Total	Active	Civilian	Guard	Reserve	Total
AFIS		13			13		3			3	322	278	1	9	610	322	294	1	9	626
Air Force	9,508	15,546	761		25,815	84,353	97,041	32,824	12,234	226,452	229,238	48,425	77,903	60,196	415,762	323,099	161,012	111,488	72,430	668,029
Army - CW		18,004			18,004		5,033			5,033		3,274			3,274	-	26,311	-	-	26,311
Army - No CW	24,148	100,276			118,785	107,575	108,562	74,469	120,632	416,877	277,468	8,313	261,563	63,878	611,222	409,191	217,151	336,032	184,510	1,146,884
DARPA							10			10	18	169			187	18	179	-	-	197
DCAA		3			3		423			423		3,641			3,641	-	4,067	-	-	4,067
DCMA		1,939			1,939		56			56	625	9,797		232	10,654	625	11,792	-	232	12,649
DeCA		6,941			6,941	9	5,690			5,699	5	2,789			2,794	14	15,420	-	-	15,434
DFAS		13,786			13,786	1,035	467			1,502	159	1,791			1,950	1,194	16,044	-	-	17,238
DISA	1	44			45		1,844			1,844	1,917	4,140			6,057	1,918	6,028	-	-	7,946
DLA		10,218			10,218	5	5,376			5,381	513	7,946			8,459	518	23,540	-	-	24,058
DLSA												190			190	-	190	-	-	190
DoDEA		3,528			3,528		9,744			9,744		105			105	-	13,377	-	-	13,377
DoDHRA		375			375	4	187			191	7	129			136	11	691	-	-	702
DPMO	1	21			22	45	43			88		18			18	46	82	-	-	128
DSCA											52	312			364	52	312	-	-	364
DSS		1,944			1,944		8			8		671			671	-	2,623	-	-	2,623
DTRA	30	165			195	272	289			561	705	519		2	1,226	1,007	973	-	2	1,982
JS											1,059	194			1,253	1,059	194	-	-	1,253
Marines		8,660			8,660	14,585	7,580			22,165	128,785	2,715		37,734	169,234	143,370	18,955	-	37,734	200,059
MDA	3	42			45		35			35	143	530		1	674	146	607	-	1	754
Navy	9,948	39,517			49,465	124,068	65,244		19,725	209,037	197,196	74,560		49,366	321,122	331,212	179,321	-	69,091	579,624
OEA											3	31			34	3	31	-	-	34
OSD							79			79	484	1,478	17	80	2,059	484	1,557	17	80	2,138
PFPA											37	785			822	37	785	-	-	822
TriCare		14			14						65	285			350	65	299	-	-	364
WHS	2	169			171	22	252			274	134	646			780	158	1,067	-	-	1,225
Grand Total	43,641	221,206	761	-	259,969	331,973	307,966	107,293	152,591	905,462	838,935	173,731	339,484	211,498	1,563,648	1,214,549	702,902	447,538	364,089	2,729,078

Strategy for Review

Review of Military Services on-going

- P&R and AT&L lead with Service, JS, and OSD participation

Use FY 2002 IGCA Inventory as initial baseline

Highlight coding inconsistencies and verify rationale

- Manpower in operating forces
  - Disparity between manpower data in IGCA Inventory and FYDP
  - Develop joint doctrine/vision for use of DoD civilian/contract support elements in areas with “low likelihood of hostile fire”
- Activities coded “military-unique knowledge and skills”
- Extensive coding for “military ethos and culture”
- Process for determining military manpower for:
  - Combat augmentation
  - Overseas and sea-to-shore rotation
  - Career progression

Strategy for Review

- Verify implications of National Security Personnel System (NSPS)
  - Presumption sufficient numbers do not always:
    - Work extended hours
    - Fill assignments overseas
    - Remain in theater during a crisis
  - Presumption civilian personnel may cost more
  - Distinguish civilian from military skills

Review of Defense Agencies

Consolidation of common functions at defense-wide level led to a large number of military billets at Defense Agencies (DAs)

- DA billets count against Service end strength
- DA billets authorized separately from Service internal practices
- One of the more contentious areas in Service manpower planning and programming

DepSec directed USD(P&R) and Director PA&E to implement a Defense Agency Manpower Review Process

- Charter requires initial review of DA military manpower by June 2004 to identify opportunities for military conversions
- Thereafter annual validation of new requirements and periodic reviews of military manpower

Validation and Assessment Board

Objectives

- Conduct initial review of military manpower in the Defense Agencies by June 2004
- Annual validation of new requirements
- Periodic review of military manpower
  - Every 2 to 6 years
  - Prioritize existing manpower
- Develop issue papers for the program review
  - Results of periodic review and validation of new requirements
  - Prepare alternatives for the Deputy Secretary

Membership

- ODPA&E – co-chair
- OUSD(P&R) – co-chair
- Joint Staff
- Army
- Navy
- Marine Corps
- Air Force
- Defense Agency
- Principal Staff Assistant

ROAD AHEAD

Expectations:

- Convert a “significant fraction” of Active military manpower to DoD civilian or private sector performance
- Modest changes in 2004 with more significant changes by FY06 Budget

Department must also consider:

- Changing worldwide military stationing strategies and potential transformation of our force structure
- National Security Personnel System (NSPS) – new hiring flexibility could assuage current reservations concerning civilian skill/knowledge and reliability

“We need to look at those functions that Marines perform in the supporting establishment and ask ourselves how many of those functions can be outsourced. My goal is to return as many of our Marines as possible to the operating forces.” Gen Jones, 1999

BACKUP SLIDES

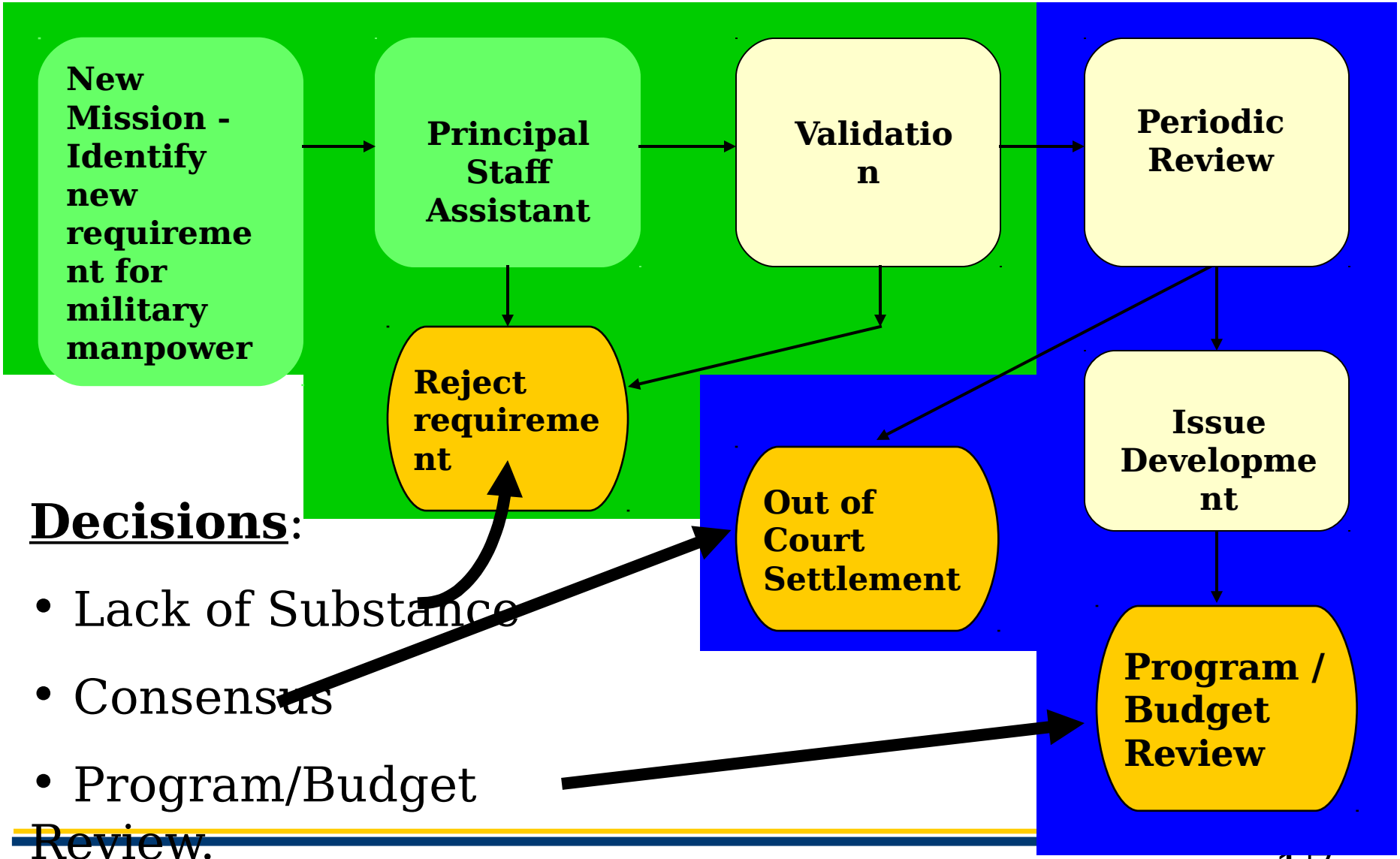
Defense Agency Manpower Review Process

Environment: Consolidation of common functions at the defense wide level has led to a large number of military billets outside of the military services. These billets count against service end strength, frequently include service members with special skills, and are authorized separately from the services internal practices.

Problem: Service support manpower has become one of the more contentious areas in service manpower planning and programming. Military manpower is limited by law, but requirements for military manpower change with (generally increasing) missions.

Solution: The Deputy Secretary of Defense directed the USD(P&R) and the Director PA&E to develop and implement a Defense Agency Manpower Review Process. The DAMRP will work within the existing PPBES. This process parallels a similar effort by the Joint Staff to manage service support

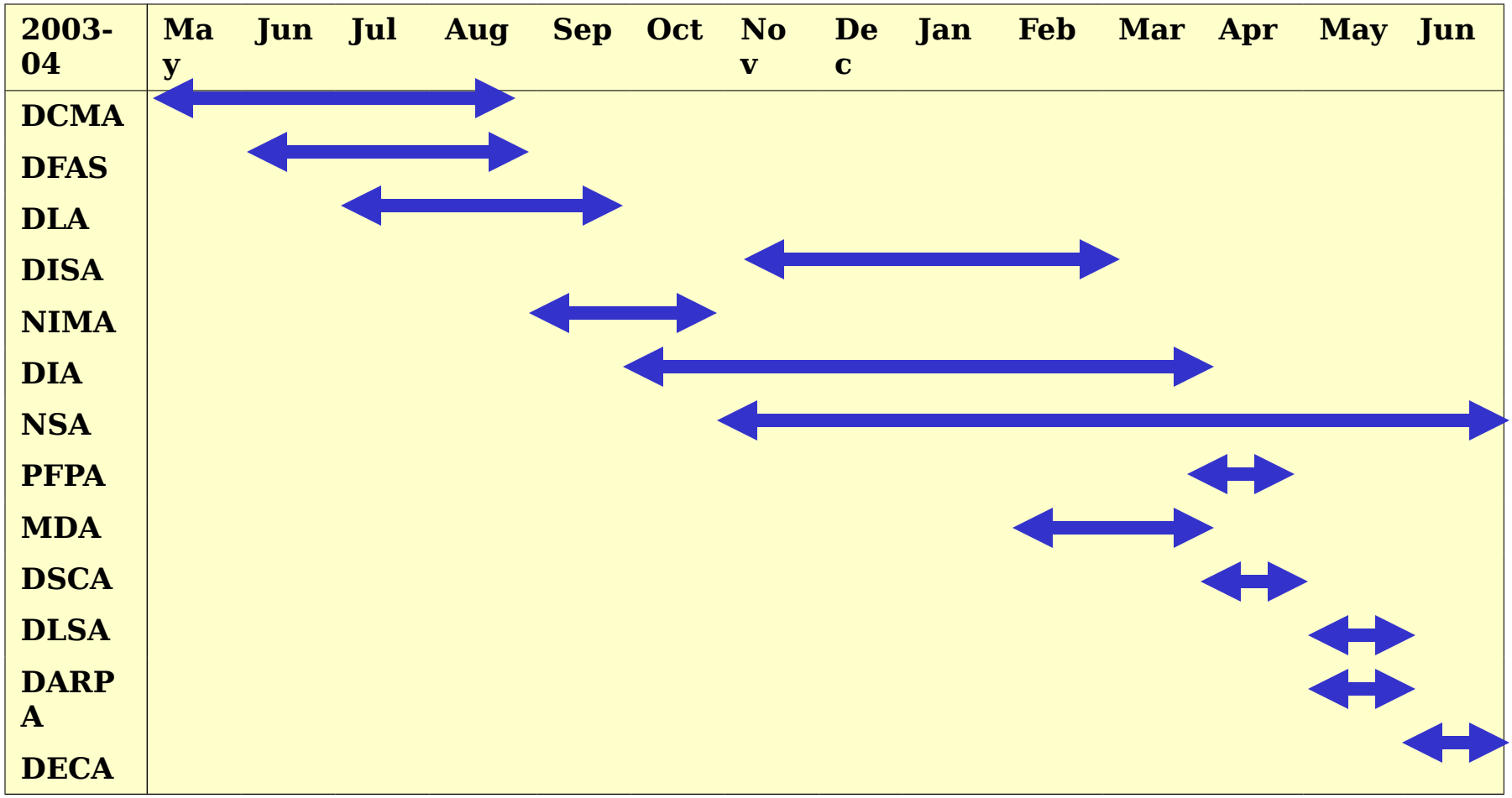
DAMRP Process Flow Diagram



Decisions:

- Lack of Substance
- Consensus
- Program/Budget Review.

Validation and Assessment Board Proposed Timeline



Evaluation Criteria & Board Products

- ***Use existing Manpower Mix Criteria from the IGCA inventory.***

- ***Identify three cases:***
  - Required and Military Essential
    - – High priority
  - Required and Military Essential
    - – Lower priority
  - Either not required or not military essential

Report to Defense Agency Leadership

- One memorandum, jointly signed by the Board.
- Statements of Non-concurrence as attachments.

Prepare Issue Paper (if required)

- Drafted by the co-chairs, in consultation with Board members
- Consensus changes can still be settled out of court
- An input to the Program Review subject to the established decision making process.